

CONFIDENTIAL



Mr Scholar

I attach a draft Memo of this morning
seeking an A-70 on the Lake strike

Rosen

10 February 1983

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DRAFT LETTER - MR SCHOLAR TO MR EDMONDS

THE WATER WORKERS' DISPUTE

The Prime Minister held a further meeting at 1000 am this morning to discuss the water workers' strike. Those present were the Home Secretary, the Secretaries of State for Defence, Employment, Scotland, Wales and the Environment, the ^{Chief} Financial Secretary to the Treasury, Mr Giles Shaw, Messrs Harrop, Gregson and Goodall and Bernard Ingham.

Your Secretary of State reported that some 37,000 properties were now without piped water supplies but the numbers being advised to boil water as a precaution had fallen to 7 million, due mainly to a resumption of chlorination at a number of water treatment works. A further week's supply of coal had been delivered to the Hampton pumping station yesterday despite some abusive picketing. Media reports about strikers occupying water authorities' premises had been exaggerated. Most of the occupations were brief and it seemed primarily for publicity purposes. Four premises in Wales were still occupied and the Welsh Water Authority were prepared to take legal action to have the strikers removed if it should prove necessary. The Advisory Conciliation and Arbitration Service (ACAS) had made a further effort yesterday to get the unions to agree to binding arbitration but had failed. The employers had rejected a ~~union~~ suggestion ^{that} for the dispute to be referred to an ~~ACAS established~~ ^a ~~Committee of Enquiry~~ ^{Established by Acts} because the unions had ~~declined to agree~~ ^{not agreed} that the results would be binding. An ACAS statement reporting their failure to make progress was couched in most unhelpful terms in that it ~~not only~~ failed to point out that the unions' refusal to accept binding arbitration was a breach both of their National Joint Industrial Council (NJIC) constitution and the agreement

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reached at ACAS on 21 January; but ^{it} also in the way it gratuitously criticised the employers' side and appeared to be indicating that the mediator's recommendations ^{on the upper quartile claim} might be side-stepped. The media had not been slow to pick up these points.

During discussion it was argued that it was now more important than ever for the employers to stand firm on their offer, based on the mediator's recommendations, and their readiness to accept the binding nature of an arbitration award, in accordance with the NJIC constitution. It would be equally important that the employers ^{should} avoided any dramatic gestures, such as ^{an across-the-board and} public abrogation of the closed shop agreement, ^{designed solely to} as a means of telling ^{tempting} strikers ^{to encourage} who might be willing to resume normal working ^{in the knowledge} that their jobs would remain secure. Such assurances should continue for the time being to be given locally and privately where appropriate. For the present both the employers and the Government should concentrate their publicity on the fact that union leaders had broken ^{numerous} every agreement ^{they} that had been made and were therefore responsible not only for the hardship and inconvenience being caused to a large number of consumers but also for their members losing a lot of ^{earnings} money by keeping them out on a strike which should never have been called. The negotiating processes laid down in the ^{water industry} NJIC constitution, recognising the essential nature of water and sewage services, included binding arbitration as a last resort which should, in practice, make strikes unnecessary. The present union leadership had ^{were ignoring this -} nevertheless broken their agreement and called the present strike which put the union leaders in an indefensible position ^{at} a point which should be explained to the public in general and the striking manual workers in particular, ^{to} In the meantime it was likely that action at local level was most likely to succeed in maintaining the best possible water supplies and sewage

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Use being made where appropriate of the NJIC constitution, the agreement at ACAS on 21 January & the Lowry letter of the same date to both sides.

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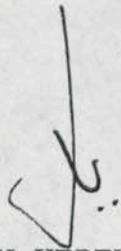
The workforce
services and the ~~union leaders~~ ^{members} at local level should be given every opportunity to honour their responsibilities under the NJIC constitution. Their successes and failures could best be publicised in the context both of the NJIC ~~agreement~~ ^{constitution} concerning the health of the consumer and the TUC Guide for the conduct of disputes. It was not yet clear what effect the present bad weather might have on water supplies but the additional health risks arising from icy roads and frozen standpipes were self-evident.

Summing up the discussion, the Prime Minister said that the National Water Council should take no new initiative without first consulting the Secretary of State for the Environment - who would need to make a statement in the House of Commons today. ^{employees and the government} The ~~publicity line for the next few days~~ should concentrate on the value of the current offer (based on the mediator's report) for the majority of the manual workforce, the employers' readiness to honour the NJIC ~~agreement~~ ^{constitution} regarding binding arbitration and the union leaders' refusal; and the ~~fact that a return to work, whilst~~ ^{need for an immediate} ~~arbitration took place, would not only allow the workers concerned to draw their normal wages but would also allow the health of the consumers to be properly safeguarded by restoring full water and sewerage services.~~ It would be helpful to distinguish between the irresponsible attitude of the union leaders towards their agreements and the responsible attitude being taken by those ^{in the workforce} who were endeavouring to maintain the best possible services. ~~There would be no need for Ministers to meet tomorrow (11 February) unless there was some major development. Subject to that~~ ^{my view} the next meeting would be on Monday 14 February at 9.30 am.

I am sending copies of this letter
(last paragraph in to the letter of 8 February)

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Since I dictated the above, the CCU has met and agreed that it would be enormously helpful if the Prime Minister were to say something; and the Home Secretary asked Bernard and me to pass this on. Mr King agrees; and would want her to concentrate on the breach of agreements.

A handwritten signature in black ink, appearing to be 'J. Vereker', written over a vertical line.

JOHN VEREKER

10 February 1983